



Department of Justice

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MICHIGAN EXECUTIVE CHARGED IN KICKBACK SCHEME

WASHINGTON, D.C. – The president of a Livonia, Michigan company was charged today with wire fraud in connection with a kickback scheme used to defraud a Troy, Michigan audio-visual company, the Department of Justice announced.

Larry E. Bennett of Plymouth, Michigan, was charged in U.S. District Court in Detroit with wire fraud. The charge resulted from Bennett, president of Premiere Video Inc., paying monies via wire transfer to an executive of the Troy audio-visual company. As part of the scheme, the Troy company executive allegedly obtained monies in exchange for his continued support in the contract negotiations between the Troy company and Premiere for duplicating and distributing videotapes, and to prevent Premiere's position as a vendor with the company from being jeopardized.

"This type of scheme deprives companies of their right to the honest services of their employees and to fair and competitive prices," said James M. Griffin, Deputy Assistant Attorney General in charge of the Antitrust Division's Criminal Enforcement Program.

The wire fraud charge, a violation of 18 U.S.C. §§ 1343 and 1346, carries a maximum penalty of five years in jail, three years of supervised release, and a \$250,000 fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine.

The charge announced today resulted from an ongoing federal antitrust investigation of anticompetitive conduct in the video duplicating and replicating industries. The investigation is being conducted by the Antitrust Division's Cleveland Field Office with the assistance of the Detroit office of the Federal Bureau of Investigation and the Detroit office of the Internal Revenue Service, Criminal Investigation Division.

Anyone with information concerning bribery, fraud or money laundering in the retail video duplicating or replicating industry should contact the Cleveland Field Office of the Antitrust Division at (216) 522-4070 or the Detroit office of the FBI at (313) 237-4169.

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